

# Report for Congress

Received through the CRS Web

## **Child Care Issues in the 107<sup>th</sup> Congress**

**Updated March 10, 2003**

Melinda Gish  
Domestic Social Policy Division

# Child Care Issues in the 107<sup>th</sup> Congress

## Summary

Many bills relating to child care have been introduced since 1996, but most have failed to be enacted into law. The notable exceptions were appropriations acts that included increases in discretionary funding for child care and some related programs. In 2001, the Bush Administration introduced new proposals and initiatives as part of the FY2002 budget, and the FY2002 appropriations process addressed the issue of funding levels for some of those proposals.

The FY2002 appropriations act for the Departments of Labor, Health and Human Services (HHS) and Education (Ed) (P.L. 107-116) included \$2.1 billion in discretionary funding for the CCDBG (\$100 million less than President Bush's FY2002 budget request) and did not include the Administration's proposed \$400 million set-aside for a new after-school certificate program within the CCDBG.

In its FY2003 budget request, the Administration proposed to maintain level funding for the CCDF, while increasing Head Start funding and eliminating the Early Learning Fund. At the close of the 107<sup>th</sup> Congress, a Labor/HHS/Ed appropriations bill had not been passed. Instead, funding was provided temporarily (at FY2002 levels) through a series of continuing resolutions.

The CCDBG provides child care subsidies to low-income families with children under age 13. It is the primary source of federal child care assistance for low-income families, and is funded through both mandatory and discretionary funds, referred to in total as the Child Care and Development Fund (CCDF). Authorization for both funding streams was due to expire at the end of FY2002. Reauthorization bills pertaining to welfare legislation (which includes mandatory child care funding) and the CCDBG Act (which authorizes discretionary funding and sets program rules) were introduced, and in the House, a consolidated bill was passed (H.R. 4737). However, in the Senate, neither a welfare nor child care reauthorization bill made it further than committee approval during the 107<sup>th</sup> Congress. As a result, child care funding (and welfare funding) was extended temporarily via continuing resolutions, leaving reauthorization legislation on the agenda for the incoming 108<sup>th</sup> Congress.

With respect to other child care-related grants or tax provisions, earlier proposed bills and initiatives reflected attempts to approach the overarching issues of child care availability, affordability, and quality with changes to the block grant and/or tax code. Although most of those earlier bills and initiatives failed to reach law, several similar bills were introduced in the 107<sup>th</sup> Congress, including an omnibus tax bill, which was signed into law, and contained changes to the Dependent Care Tax Credit.

Child care has become an area of increased focus during reauthorization debates, and the overall issue of early childhood development has received increased attention, with Congressional hearings, as well as a White House Summit on Early Childhood Cognitive Development. The Administration has built upon the summit, with the President announcing the Administration's new "Good Start, Grow Smart" early childhood initiative.

## Contents

Final Developments .....	1
Federal Child Care Programs and Tax Provisions .....	1
Child Care and Development Block Grant (CCDBG) .....	1
Temporary Assistance for Needy Families (TANF) .....	2
Child and Adult Care Food Program (CACFP) .....	3
Social Services Block Grant (SSBG) .....	3
Head Start .....	3
21 <sup>st</sup> Century Community Learning Centers (21 <sup>st</sup> CCLC) .....	4
Even Start .....	4
Individuals with Disabilities Education Act (IDEA) programs .....	4
Early Childhood Educator Professional Development .....	4
Loan forgiveness for child care providers .....	4
Child Care Access Means Parents in School (CAMPIS) .....	5
Early Learning Fund .....	5
Dependent Care Tax Credit (DCTC) .....	5
Dependent Care Assistance Program (DCAP) .....	5
Labor/HHS/Education FY2002 Appropriations .....	7
FY2002 Treasury-General Government Appropriations (Federal Child Care Provisions) .....	8
Related Provisions in FY2003 Administration Budget .....	8
Bush Administration's FY2003 Budget Proposals .....	9
CCDBG: Level Funding .....	9
Social Services Block Grant (SSBG): Level Funding .....	9
Head Start: Increase Funding, with Added Emphasis on Education ..	9
21 <sup>st</sup> Century Community Learning Centers: Level Funding .....	10
Even Start: Decrease Funding .....	10
IDEA Grants for Infants and Families: Increase Funding .....	10
IDEA Preschool Grants: Level Funding .....	10
Labor/HHS/Education FY2003 Appropriations .....	11
Legislative Activity in the 107 <sup>th</sup> Congress .....	12
Reauthorization Legislation .....	12
Comprehensive Child Care Legislation .....	16
Child Care Bills with Tax Provisions .....	17
Bills Relating to Quality of Care, Curricula, and Health and Safety ..	17
Bills Relating to Child Care Providers .....	18
Child Care (and Pre-Kindergarten) Availability and Access Legislation .....	18
Multi-Purpose Child Care Legislation .....	18
Hearings .....	19
White House Summit on Early Childhood .....	20
Administration's Early Childhood Initiative .....	20

## List of Tables

Table 1. Funding for Federal Child Care and Related Programs, FY1998-FY2002 .....	6
Table 2. FY2002 Appropriations: Administration, House, and Senate Proposed Funding Levels Versus Final Funding Levels .....	8
Table 3. Bush Administration's FY2003 Budget Request for Child Care and Related Programs and Senate Appropriations Committee Recommended Levels for FY2003 .....	11

# Child Care Issues in the 107<sup>th</sup> Congress

## Final Developments

The 107<sup>th</sup> Congress came to a close without having passed a bill making FY2003 appropriations for the Departments of Labor, Health and Human Services (HHS), and Education. Instead, funding was provided on a temporary basis (at the rate funded in FY2002) through a series of continuing resolutions (CR) that extended into the 108<sup>th</sup> Congress. On November 23, 2002, the final CR of the 107<sup>th</sup> Congress (H.J.Res. 124) was signed into law (P.L. 107-294) providing appropriations through January 11, 2003, at the rate made available under the Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriations Act, 2002. Funding for the mandatory portion of the CCDF and for TANF (both of which expired at the end of FY2002), was extended (at the FY2002 level) through the first quarter of FY2003 (December 31, 2002) under the first continuing resolution (H.J.Res. 111) signed into law September 30, 2002. (The incoming 108<sup>th</sup> Congress soon after extended temporary funding through March 31, 2003.) *For more information, see “Labor/HHS/Education FY2003 Appropriations,” infra.*

## Federal Child Care Programs and Tax Provisions

Several federal programs support child care or related services, primarily for low-income working families. In addition, the tax code includes provisions specifically targeted to assist families with child care expenses. Descriptions of those programs and tax provisions follow, as does **Table 1**, which shows funding (or estimated revenue loss or obligations where applicable) for the programs and tax provisions.

**Child Care and Development Block Grant (CCDBG).**<sup>1</sup> The primary federal grant program is the CCDBG, which was created in 1990, reauthorized and substantially expanded in 1996, as part of welfare reform. The CCDBG was due to be reauthorized during the second session of the 107<sup>th</sup> Congress. However, as explained more fully in the Legislative Activity section of this report, reauthorization legislation failed to be passed in the 107<sup>th</sup> Congress, and funding was extended on a temporary basis via a series of continuing resolutions. The CCDBG is administered by HHS, and provides block grants to states, according to a formula, which are used to subsidize the child care expenses of families with children under age 13, if the parents are working or in school and family income is less than 85% of the state median. (In practice, many states establish income eligibility levels that are lower

---

<sup>1</sup> For more information, see CRS Report RL30785, *The Child Care and Development Block Grant: Background and Funding*.

than this federal threshold.<sup>2</sup>) Child care services are provided on a sliding fee scale basis, and parents may choose to receive assistance through vouchers or certificates, which can be used with a provider of the parents' choice, including sectarian providers and relatives.

States receiving CCDBG funds must establish child care licensing standards, although federal law does not dictate what these standards should be or what types of providers must be covered. In addition, states must have health and safety requirements applicable to all providers receiving CCDBG subsidies, that address prevention and control of infectious diseases, building and physical premises safety, and health and safety training for caregivers. However, federal law does not dictate the specific contents of these requirements.

The CCDBG is funded through both discretionary and capped entitlement grants (referred to in combination as the Child Care and Development Fund, or CCDF), and state maintenance-of-effort and matching requirements apply to part of the entitlement funds.<sup>3</sup> States must use at least 4% of their total funds to improve the quality and availability of child care, and according to statute, must target 70% of entitlement funds on welfare recipients working toward self-sufficiency or families at risk of welfare dependency. However, because all families falling below the 85% of state median income requirement can be categorized as "at risk," the 70% targeting of the welfare and at-risk population does not necessarily mean welfare families must be served. In theory, all funds may be used for low-income, non-welfare, working families. However, state plans indicate that many states guarantee child care to welfare families. No more than 5% of state allotments may be used for state administrative costs.

In FY2002, a total of \$4.817 billion was appropriated for the CCDBG (see **Table 2**). Entitlement funds of \$2.717 billion were appropriated in advance by the welfare reform law, and \$2.1 billion in discretionary funds were appropriated by the FY2002 appropriations bill. (Unlike prior years, there was no advance discretionary funding for the CCDBG in FY2002, or for FY2003.)

**Temporary Assistance for Needy Families (TANF).** TANF provides fixed block grants (\$16.5 billion annually through FY2002) for state-designed programs of time-limited and work-conditioned aid to families with children. Child care is one of many services for which states may use TANF funding. In FY2000, states spent \$2.3 billion of TANF funding on child care within the TANF program. In addition, states may transfer up to 30% of their TANF allotments to the CCDBG (CCDF), to be spent according to the rules of that program (as opposed to TANF rules). The FY2000 transfer from TANF to the CCDBG totaled \$2 billion. In

---

<sup>2</sup> For more information on states' CCDF plans, see CRS Report RL31605, *Child Care: State Programs Under the Child Care and Development Fund*.

<sup>3</sup> For more detailed information on the CCDF financing structure and spending trends, see CRS Report RL31274 *Child Care: Funding and Spending under Federal Block Grants*.

FY2001, approximately \$2 billion were again transferred from TANF to the CCDF. This represented about 8% of the annual TANF allotment.<sup>4</sup>

**Child and Adult Care Food Program (CACFP).** The CACFP provides federal funds (in some cases commodities) for meals and snacks served in licensed child care centers, family and group day care homes, and Head Start centers. Child care providers that are exempt from state licensing requirements must comply with alternative state or federal standards. Children under 12, migrant children under 15, and children with disabilities of any age may participate, although most are preschoolers. Eligible providers are usually public and private nonprofit organizations. The CACFP is an open-ended entitlement, administered by the Department of Agriculture. In FY2002, obligations were most recently estimated to be \$1.9 billion.<sup>5</sup>

**Social Services Block Grant (SSBG).** Title XX of the Social Security Act authorizes Social Services Block Grants, which may be used for social services at the states' discretion. There are no federal income eligibility requirements, targeting provisions, service mandates, or matching requirements. An HHS analysis of state expenditures in FY2000 indicates that 6% of total SSBG expenditures made in FY2000 (\$165 million) were for child care in that year (compared to 13%, or \$395 million) in FY1999 and just under 10% –\$279 million– in FY1998). Title XX is a capped entitlement, and state allocations are based on relative population size. Legislation enacted in 1998 (P.L. 105-178) reduced the entitlement ceiling for the SSBG from \$2.38 billion to \$1.7 billion in FY2001. However, Congress appropriated \$1.725 billion for FY2001, despite the ceiling. On March 8, 2001, two companion bills (H.R. 956 - Representative Nancy Johnson and S. 501 - Senator Graham) were introduced, which would have restored the FY2002 authorized funding level to its earlier level of \$2.38 billion, however these bills received no action, and the FY2002 appropriations bill (H.R. 3061), signed into law (P.L. 107-116), provided \$1.7 billion in FY2002 SSBG funding.<sup>6</sup> On April 4, 2001, Representative Nancy Johnson introduced H.R. 1470, which would have permanently set the authorized funding level at \$2.38 billion; it received no action. On June 19, 2002, the Senate Finance Committee approved the Charity Aid Recovery and Empowerment Act (a substitute for H.R. 7), which would have increased funding for the SSBG by a total of \$1.3 billion above the FY2002 level over FY2003-FY2004.

**Head Start.** Head Start provides comprehensive early childhood education and development services to low-income preschool children, typically (but not always) on a part-time basis. Head Start funds are provided directly by HHS to local grantees, which must comply with detailed federal performance standards. In FY2002, \$6.538 billion was appropriated for Head Start, of which \$5.138 billion was available in FY2002 and \$1.4 billion became available in FY2003. The advance funding component of the appropriation was new for the Head Start program, starting

---

<sup>4</sup> For more information on use of TANF funding for child care, see CRS Report RL31274, *Child Care: Funding and Spending under Federal Block Grants*.

<sup>5</sup> See CRS Report 98-25, *Child Nutrition Programs: Background and Funding*.

<sup>6</sup> See CRS Report 94-953, *Social Services Block Grant (Title XX of the Social Security Act)*.

in FY2000.<sup>7</sup> The Administration estimated that in 2002, Head Start would serve 916,000 children. Of that total, approximately 55,000 children under age 3 were expected to participate in the Early Head Start component of the program.

**21<sup>st</sup> Century Community Learning Centers (21<sup>st</sup> CCLC).** The Elementary and Secondary Education Act (ESEA), as amended in 1994, authorized grants to rural and inner-city public elementary or secondary schools for 21<sup>st</sup> Century Community Learning Center programs. These competitive grants funded programs which provide support for early childhood through after-school, weekend, and summer activities. Although authorization for the 21<sup>st</sup> CCLC programs expired at the end of FY2000, the program was funded at \$846 million in FY2001.

On January 8, 2002, the President signed into law the Elementary and Secondary Education Act reauthorization bill (H.R. 1). That legislation reauthorized the 21<sup>st</sup> Century Community Learning Centers program at \$1.25 billion for FY2002, rising in stages to \$2.5 billion by FY2007. (The FY2002 appropriation did not reach the authorized level, but did increase funding to \$1 billion.) The reauthorized program, in contrast to its predecessor, is structured as a formula grant to states. Grants will be awarded to states in proportion to their share of Title I Part A grants for the preceding fiscal year. Eligible local entities (including LEAs, community-based organizations, and other public or private entities) will be awarded grants competitively. The authorized uses of funds under the program will be limited to after school-hours activities for students and their families, in contrast to the broader array of authorized uses of funds permitted under the original 21<sup>st</sup> CCLC program.

**Even Start.** The Department of Education administers the Even Start program, which provides grants for family literacy projects that include early childhood education for children through age 7. Appropriations for FY2002 were \$250 million.

**Individuals with Disabilities Education Act (IDEA) programs.** The Individuals with Disabilities Education Act (IDEA) authorizes an early intervention program for infants and toddlers with disabilities and their families (funded in FY2002 at \$417 million), and preschool grants for children with disabilities (funded in FY2002 at \$390 million).

**Early Childhood Educator Professional Development.** The Department of Education provides competitive grants to partnerships to improve the knowledge and skills of early childhood educators who work in communities that have high concentrations of children living in poverty. In FY2002, \$15 million were appropriated for these grants.

**Loan forgiveness for child care providers.** Authorized under the Higher Education Act amendments of 1998, the loan forgiveness for child care providers program aims to retain and encourage more highly trained individuals to enter into the early child care profession. “Early child care” covers activities and services provided for the education and care of children from birth through age 5. Under this program, borrowers who have earned a degree in early childhood education, and

---

<sup>7</sup> For more information, see CRS Report RL30952, *Head Start: Background and Funding*.



work for 2 full years as a child care provider in a low-income community, may have a portion of their loan obligation forgiven. FY2001 marked the first year that this program was funded, at \$1 million – the same amount appropriated for FY2002.

**Child Care Access Means Parents in School (CAMPIS).** Authorized under the Higher Education Act amendments of 1998, and first funded for FY1999 at \$5 million, the CAMPIS program is designed to support the participation of low-income parents in post-secondary education through campus-based child care services. Discretionary grants of up to 4 years in duration are awarded competitively to institutions of higher education, to either supplement existing child care services, or to start a new program. Funding for FY2002 was \$25 million.

**Early Learning Fund.** This program, authorized by the FY2001 Consolidated Appropriations Act (P.L. 106-554) provides grants to communities to enhance school readiness for children under 5; specifically by funding efforts to improve the cognitive, physical, social, and emotional development of these children. Although authorized at \$600 million, FY2002 funding for the program was set at \$25 million, and the President's FY2003 budget proposed to eliminate the program.

**Dependent Care Tax Credit (DCTC).** The DCTC is a non-refundable tax credit for employment-related expenses incurred for the care of a dependent child under 13 or a disabled dependent or spouse, under Section 21 of the tax code. On June 7, 2001 the omnibus tax bill was signed into law (P.L. 107-16), making some changes to the DCTC, which become effective starting in 2003. However, until 2003, the maximum credit is 30% of expenses up to \$2,400 for one child (for a credit of \$720), and up to \$4,800 for two or more children (for a credit of \$1,440). The credit rate is gradually reduced as income goes up for taxpayers with incomes above \$10,000, until the credit rate reaches 20% for taxpayers with incomes above \$28,000. The current estimated revenue loss for FY2002 is \$2.5 billion, as determined by the Joint Committee on Taxation (JCT).

**Changes to DCTC in 2003.** Beginning in tax year 2003, the Economic Growth and Economic and Tax Reconciliation Act of 2001 (P.L. 107-16) will increase the maximum credit rate to 35% of expenses up to \$3,000 for one child (for a credit of \$1,050), and up to \$6,000 for two or more children (for a credit of \$2,100). The 35% rate will apply to taxpayers with adjusted gross incomes of \$15,000 or less. The rate will decrease by 1% for each additional \$2,000 increment (or portion thereof) until the rate reaches 20% for taxpayers with incomes over \$43,000.

**Dependent Care Assistance Program (DCAP).** Under Section 129 of the tax code, payments made by a taxpayer's employer for dependent care assistance may be excluded from the employee's income and, therefore, not be subject to federal income tax or employment taxes. The maximum exclusion is \$5,000. Section 125 of the tax code allows employers to include dependent care assistance, along with other fringe benefits, in nontaxable flexible benefit or "cafeteria" plans. The estimated revenue loss associated with this income exclusion was \$600 million in FY2002.

**Table 1. Funding for Federal Child Care and Related Programs, FY1998-FY2002**

(\$ in millions)

Program	Fiscal year				
	1998	1999	2000	2001	2002
CCDBG (discretionary portion) <sup>a</sup>	\$1,002	\$1,000	\$1,183	\$2,000	\$2,100
CCDBG (entitlement portion)	2,067	2,167	2,367	2,567	2,717
TANF <sup>b</sup>	<sup>b</sup>	<sup>b</sup>	<sup>b</sup>	<sup>b</sup>	<sup>b</sup>
Child and Adult Care Food	1,562 <sup>c</sup>	1,599 <sup>c</sup>	1,690 <sup>c</sup>	1,766 <sup>c</sup>	1,878 <sup>c</sup>
Social Services Block Grants <sup>d</sup>	2,299 <sup>d</sup>	1,909 <sup>d</sup>	1,775 <sup>d</sup>	1,725 <sup>d</sup>	1,700 <sup>d</sup>
Head Start	4,347	4,658	5,267 <sup>e</sup>	6,200 <sup>f</sup>	6,538 <sup>g</sup>
21 <sup>st</sup> Century Community Learning Centers	40	200	454	846	1,000
Even Start	124	135	150	250	250
IDEA Infants and Families	350	370	375	384	417
IDEA Preschool Grants	374	374	390	390	390
Early Learning Fund (Early Learning Opportunities Act)	-	-	-	20	25
Early Childhood Educator Professional Development	-	-	-	10	15
Loan forgiveness for child care providers	-	-	-	1	1
Child care Access Means Parents in School (CAMPIS)	-	5	5	25	25
Dependent Care Tax Credit	<sup>h</sup>	2,455 <sup>h</sup>	2,200 <sup>h</sup>	2,500 <sup>h</sup>	2,500 <sup>h</sup>
Dependent Care Assistance	<sup>h</sup>	400 <sup>h</sup>	400 <sup>h</sup>	500 <sup>h</sup>	600 <sup>h</sup>

**Source:** Table prepared by the Congressional Research Service (CRS).

<sup>a</sup> The CCDBG discretionary amounts shown in each column reflect the appropriated funding to be made available for that given year, taking the advance funding into account.

<sup>b</sup> TANF funds (\$16.5 billion annually) may be used for child care, but are not specifically appropriated as such. HHS data indicate that in FY1999, \$600 million of federal TANF dollars were spent for child care. In FY2000, this increased to \$1.4 billion, and in FY2001, \$1.6 billion. These numbers reflect *federal* TANF dollars, not state spending associated with the TANF program.

<sup>c</sup> Estimated obligations, Department of Agriculture.

<sup>d</sup> Total SSBG amount shown. In FY2000 (the most recent data available), almost 6% of SSBG expenditures, or \$165 million, were for care.

<sup>e</sup> Of the \$5.267 billion, \$3.867 billion was available for FY2000, and \$1.4 billion for FY2001.

<sup>f</sup> Of the \$6.2 billion, \$4.8 billion was available for FY2001, and \$1.4 billion for FY2002.

<sup>g</sup> Of the \$6.538 billion, \$5.138 billion was available for FY2002, and \$1.4 billion became available in FY2003.

<sup>h</sup> Estimated revenue loss, Joint Committee on Taxation. Comparable estimate for FY1998 not available.

## Labor/HHS/Education FY2002 Appropriations

On January 10, 2002, H.R. 3061(Committee Report H.Rept. 107-342), the bill approved by Congress, making FY2002 appropriations for the Departments of Labor, Health and Human Services (HHS), and Education was signed into law (P.L. 107-116). The law included \$2.1 billion for the Child Care and Development Block Grant (CCDBG). This reflected a \$100 million decrease from the level of funding provided for the CCDBG in FY2001. (The FY2002 bill also did not include the Administration's proposed \$400 million set-aside for a new after-school certificate program within the CCDBG.) The \$2.1 billion did include the following set-asides: \$19 million for school-age care and resource and referral; \$1 million for the Child Care Aware toll-free hotline; \$100 million for infant and toddler care; \$173 million for quality initiatives; and \$10 million for research.

The bill provided \$1.7 billion for the Social Services Block Grant (SSBG), which states could choose to use for child care, and also maintained states' authority to transfer up to 10% of their Temporary Assistance for Needy Families (TANF) allotments to the SSBG. Also included in H.R. 3061 were \$6.538 billion for Head Start, of which \$1.4 billion would not become available until FY2003. The 21<sup>st</sup> Century Community Learning Centers (reauthorized by legislation (H.R. 1) signed into law on January 8, 2002) received an FY2002 appropriation of \$1 billion.

The FY2002 bill maintained the same level of funding (as in FY2001) for the following programs: Even Start (\$250 million), IDEA preschool grants (\$390 million), loan forgiveness for child care providers (\$1 million), Child Care Access Means Parents in School (\$25 million).

Other child care-related programs whose funding increased in FY2002 include: IDEA grants for Infants and Families (\$417 million), the Early Learning Opportunities Act, sometimes referred to as "Early Learning Fund" (\$25 million), and the Early Childhood Educator Professional Development program (\$15 million).

(For background on the funding levels proposed in the House and Senate versions that preceded the appropriations bill ultimately signed into law, see **Table 2.**)

**Table 2. FY2002 Appropriations: Administration, House, and Senate Proposed Funding Levels Versus Final Funding Levels**  
(\$ in millions)

Program	President's request	House passed version	Senate passed version	Final
CCDBG	\$2,200	\$2,200	\$2,000	\$2,100
Head Start (total)	6,325	6,476	6,600	6,538
SSBG	1,700	1,700	1,700	1,700
21 <sup>st</sup> CCLC	846	1,000	1,000	1,000
Even Start	250	260	200	250
IDEA grants - preschool	390	390	390	390
IDEA grants - infants and families	384	430	384	417
Loan forgiveness for child care	1	1	1	1
Child Care Access Means Parents in School (CAMPIS)	25	25	25	25
Early Learning Opportunities Act	0	0	25	25
Early Childhood Educator Professional Development	not specified	not specified	15	15

**Source:** Table prepared by the Congressional Research Service (CRS).

## **FY2002 Treasury-General Government Appropriations (Federal Child Care Provisions)**

On November 12, 2001 the President signed the FY2002 appropriations bill for the Department of Treasury, the Postal Service, and General Government into law (H.R. 2590/P.L. 107-67). On October 31, 2001 and November 1, 2001, the House and Senate had respectively agreed to the conference report on H.R. 2590 (H.Rept. 107-293). Included in the law are provisions to maintain the federal pilot project for federal day care centers, the purpose of which is to improve the affordability of child care for lower income personnel in Executive agencies.

**Related Provisions in FY2003 Administration Budget.** In its FY2003 budget proposal (described in detail below), the Bush administration proposed elimination of the provisions found at Section 630 of P.L. 107-67. The provisions authorize use of appropriated funds (salaries and expenses accounts) to provide child care in a federally owned or leased facility, either directly or through contract, for civilian employees of the agency. The funds used are to be applied so as to improve affordability of the service for lower income personnel. The Committees on Appropriations are to be notified before implementation. P.L. 107-67 also added language authorizing payment to licensed or regulated child care providers “in advance of services rendered, covering agreed upon periods, as appropriate.”

Unlike the Bush Administration, the House and Senate appropriations bills for FY2003 (H.R. 5120 and S. 2740) did not propose to repeal the aforementioned provisions found in Section 630 of P.L. 107-67. A final appropriations bill for the Department of Treasury, the Postal Service, and General Government was not passed into law during the 107<sup>th</sup> Congress.

## **Bush Administration's FY2003 Budget Proposals**

President Bush released his Administration's proposed budget for FY2003 on February 4, 2002. The following is a summary of child care-related funding and initiatives proposed in the budget documents. **Table 3** shows the proposed FY2003 funding levels, and how the proposed funding amounts compare to the levels appropriated for FY2002.

**CCDBG: Level Funding.** The President's FY2003 budget proposed to maintain the discretionary funding level for the CCDBG at \$2.1 billion and the mandatory (or "entitlement") funding amount at \$2.717 billion, for a total of \$4.817 billion. Also included in the budget request were proposals to maintain the set-asides of \$19 million for child care resource and referral and school-aged child care activities (\$1 million for the Child Care Aware toll free hotline); \$273 million for quality activities (of which \$100 million would be specifically for improving the quality of infant and toddler care); and \$10 million for use by the Secretary of HHS for child care research, demonstration, and evaluation activities.

**Social Services Block Grant (SSBG): Level Funding.** The Administration's FY2003 budget proposed to continue funding the SSBG at its authorized level of \$1.7 billion. The ability of states to transfer up to 10% of their TANF state allotments was not addressed. The FY2002 appropriations law (P.L. 107-116) maintained the 10% transfer, superceding earlier legislation which would have decreased the transfer limit to 4.25%.<sup>8</sup>

**Head Start: Increase Funding, with Added Emphasis on Education.** The Bush Administration proposed to continue the trend of increasing funding to the Head Start Program, along with plans to make education the program's top priority. The budget requested \$6.667 billion for Head Start, a \$130 million increase above the FY2002 appropriation. Of the total amount proposed, \$1.4 billion would be advance appropriated for FY2004.

The President maintained plans to reform Head Start by making education the program's primary focus. In the FY2002 budget, the Administration proposed to require Head Start to adopt a "proven core curriculum that makes school readiness—pre-reading and numeracy—its top priority." In the FY2003 budget documents, the Administration highlighted an HHS-Department of Education (ED) task force which formed in order to assess ways to improve Head Start and lay the ground work for the proposed transfer of the program to ED. The transfer is intended to reinforce the program's emphasis on school readiness, and is planned as part of the program's

---

<sup>8</sup> For more information on the SSBG, see CRS Report 94-953, *Social Services Block Grant (Title XX of the Social Security Act)*.

reauthorization. The budget also proposed to maintain funding (\$75 million) for the Early Reading First program within ED for research-based reading programs in existing pre-school programs, including Head Start Programs.

**21<sup>st</sup> Century Community Learning Centers: Level Funding.** The budget proposed to maintain funding for 21<sup>st</sup> Century Learning Centers at the FY2002 level of \$1 billion. The 21CCLC program provides formula grants to states, which in turn award subgrants to communities. Funds are used to provide academic enrichment opportunities and related services to students (many of whom attend high-poverty schools) during non-school hours (including weekends and summers).<sup>9</sup>

**Even Start: Decrease Funding.** The Administration requested \$200 million for the Even Start program— a \$50 million decrease from the FY2002 appropriation level. The budget justifications for the Department of Education indicate that the decrease in Even Start reflects the Administration's proposal to shift funds to increase Reading First State Grants (to \$1 billion). (Note: the budget requested level funding for the *Early Reading First* program, at \$75 million.)

**IDEA Grants for Infants and Families: Increase Funding.** The Administration's FY2003 budget requested \$437 million for IDEA infants and families grants. This reflected an increase of \$20 million above the amount appropriated in FY2002: \$417 million. The Administration stated that the goal of the IDEA grant program for infants and families (referred to in earlier years as infants and toddlers) is to provide a comprehensive system of early intervention services that will enhance family and child outcomes.

**IDEA Preschool Grants: Level Funding.** The FY2003 budget requested \$390 million for IDEA preschool grants, which is the same amount as was appropriated for the program in FY2002.

**Table 3** shows proposed funding for the aforementioned programs, as well as smaller child care-related programs. The table shows the President's request for FY2003, a comparison to FY2002 actual funding, and in the last column, the amounts recommended by the Senate Appropriations committee (as included in S. 2766, which was approved by the committee on July 22, 2002).

---

<sup>9</sup> For more information, see CRS Report RL30306, *21<sup>st</sup> Century Community Learning Centers: An Overview of the Program and Analysis of Reauthorization Issues*.

**Table 3. Bush Administration's FY2003 Budget Request for Child Care and Related Programs and Senate Appropriations Committee Recommended Levels for FY2003**

<b>Program</b>	<b>FY2003 President's requested funding (\$ in millions)</b>	<b>Difference (+/-) between President's FY2003 request and FY2002 appropriation</b>	<b>Senate Appropriations Committee recommended level for FY2003 (S. 2766) (\$ in millions)</b>
CCDBG discretionary	\$2,100	same level	\$2,100
CCDBG mandatory	\$2,717	same level	N/A
SSBG (Title XX)	\$1,700	same level	\$1,700
Head Start	\$6,667	+ \$130 million	\$6,870
21 <sup>st</sup> Century Learning Centers	\$1,000	same level	\$1,090
Even Start	\$200	- \$50 million	\$250
IDEA Infants and Families	\$437	+ \$20 million	\$437
IDEA Preschool Grants	\$390	same level	\$390
Early Learning Fund	0	- \$25 million	\$38
Early Reading First	\$75	same level	\$75
Early Childhood Educator Professional Development	\$15	same level	\$15
Childcare Access Means Parents in School (CAMPIS)	\$15	- \$10 million	\$15
Loan forgiveness for child care providers	\$1	same level	\$1

**Source:** Table prepared by CRS based on the President's FY2003 Budget Request and legislative bill and report language for S. 2766.

## **Labor/HHS/Education FY2003 Appropriations**

At the close of the 107<sup>th</sup> Congress, a bill making FY2003 appropriations for the Departments of Labor, HHS, and Education had yet to pass. Instead, funding was provided on a temporary basis (at the rate funded in FY2002) through a series of continuing resolutions (CR) that extended into the 108<sup>th</sup> Congress. On November 23, 2002, the final CR *of the 107<sup>th</sup> Congress* (H.J.Res. 124) was signed into law (P.L. 107-294) providing appropriations through January 11, 2003, at the rate made available under the Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriations Act, 2002. Funding for the mandatory portion of the CCDF and for TANF (both of which expired at the end of FY2002), was extended (at the FY2002 level) through the first quarter of FY2003

(December 31, 2002) under the first continuing resolution (H.J.Res. 111) signed into law September 30, 2002. (The incoming 108<sup>th</sup> Congress soon after extended temporary funding through March 31, 2003.)

Prior activity with respect to FY2003 Labor/HHS/Ed appropriations included the Senate Appropriations Committee approving (on July 22, 2002) its version of a bill which would have made FY2003 appropriations for the Departments of Labor, Health and Human Services, and Education (S. 2766/ S.Rept. 107-216). As shown in **Table 3** above, the Senate Appropriations Committee's recommended funding levels for child care-related programs either met or exceeded the levels requested by the Administration in the President's FY2003 budget request. The programs for which the committee recommended a funding increase are Head Start, 21<sup>st</sup> Century Community Learning Centers, Even Start, and the Early Learning Fund.

On September 4, 2002, Representative Young introduced H.R. 5320, a bill that would have made FY2003 appropriations for the Departments of Health and Human Services, Education, and Labor (Labor/HHS/Educ). The bill was introduced in the House without committee action, and requested the same funding levels as proposed by the President in his FY2003 budget.

## **Legislative Activity in the 107<sup>th</sup> Congress**

There are many examples of legislation covering a range of early child care and education issues that were introduced the 107th Congress. Several bills aimed to address issues of child care affordability with modifications to the tax code (i.e., the DCTC and DCAP), and as mentioned earlier in this report, some changes were already passed as part of the omnibus tax bill (P.L. 107-16). Other proposals aimed to improve child care quality, either by enhancing resources available to child care programs, or by promoting better compliance with health and safety standards. Issues relating to availability of and access to care were addressed through proposed legislation providing for construction of child care facilities, and greater access to child care services for federal employees. In addition, as in previous Congresses, omnibus child care bills addressing multiple child care issues (among other areas) were once again introduced. Finally, bills addressing child care came in the context of reauthorizing major welfare (TANF) and child care programs (CCDBG).

**Reauthorization Legislation.** Several bills were introduced in the latter part of the 107<sup>th</sup> Congress that pertained specifically to TANF and CCDBG reauthorization, however none were passed into law. (Both of these block grants play a major role in providing child care to low-income families.) Also, the Administration in February 2002 released a welfare reform reauthorization document, *Working Toward Independence*, which proposed level funding for child care (both the discretionary and mandatory portions) for FY2003. Reauthorization bills that were introduced are listed below.

***H.R. 4737, by Representative Pryce (introduced May 9, 2002 as H.R. 4700, passed the House May 16, 2002 as H.R. 4737).*** The Personal Responsibility, Work, and Family Promotion Act of 2002 encompassed many of the provisions proposed in H.R. 4090 and H.R. 4092 (the welfare and child care reauthorization bills reported out of the Ways and Means and Education and



Workforce Committees respectively – see below). However, it differed with respect to proposed child care funding. Like H.R. 4700, which was the “merged” bill as originally introduced by Rep. Pryce, H.R. 4737 would have increased child care funding and authorization levels above those included in H.R. 4090 and H.R. 4092. Under H.R. 4737, mandatory child care funding would have been set at \$2.917 billion in each of FY2003-FY2007 (for an increase of \$1 billion over 5 years above current funding). The authorization level for discretionary funding would have increased by \$200 million annually for 5 years, reaching the level of \$3.1 billion in FY2007.

Like H.R. 4092, H.R. 4737 would have increased the quality set-aside from 4% to 6%, and would have amended state child care plan requirements to encourage states to improve the quality of child care available to families, and to promote school readiness by encouraging the exposure of children in care to nurturing environments and developmentally-appropriate activities. Likewise, the bill would have allowed states to establish CCDBG income eligibility limits at any level (prioritized by need), eliminating current law’s federal limit of 85% of state median income. The only additional child care provision not included in H.R. 4092 would have required that aggregated statistics on child care supply, demand and quality be included in biennial reports to Congress.

***Senate Finance Committee version of H.R. 4737 (approved by Senate Finance Committee June 26, 2002).*** The Work, Opportunity, and Responsibility for Kids (WORK) Act was the committee’s substitute for House-passed H.R. 4737. This welfare reform reauthorization measure contained provisions that would have provided mandatory child care funding for the Child Care and Development Block Grant at \$3.717 billion in each of FY2003-FY2005; and \$3.967 billion in each of FY2006 and FY2007 (\$1 billion and \$1.25 billion above the FY2002 funding level, respectively, for a \$5.5 billion total increase over 5 years). The increases up to the \$3.717 billion level in each of the five fiscal years would have been applied to the “guaranteed” portion of mandatory funding (requiring no match and allocated to states according to the same proportion of guaranteed funds received in FY2002). The increase beyond that (i.e. the additional \$250 million in each of FY2006 and FY2007) would have required a state match and would have been allocated based on states’ relative share of children under age 13. All increases above the FY2002 mandatory funding level could not have supplanted state funding for child care. Of the new funding that would have required no match, \$10 million would have been reserved for Puerto Rico in each of FY2003-2007. (Under current law, Puerto Rico is not entitled to any of the mandatory CCDBG funding.)

In addition, states would have been required to certify in their state TANF plans that procedures are in effect to ensure that any child care provider delivering child care services funded by TANF complies with the health and safety requirements applicable to the Child Care and Development Block Grant.

Also included in the Chairman’s Mark, as amended and passed (13-8), was a provision that would have permanently restored states’ authority to transfer up to 10 percent of their annual TANF allotments to the Social Services Block Grant. Furthermore, funding for FY2005 would have been authorized at a level of \$1.952 billion. A week earlier, on June 19, the Senate Finance Committee approved the

Charity Aid Recovery and Empowerment Act (a substitute for H.R. 7), which would have authorized SSBG funding increases for FY2003 and FY2004.

***H.R. 4092, by Representative McKeon (introduced April 10, 2002; reported from Education and Workforce Committee May 2, 2002).*** The Working Toward Independence Act of 2002 (not to be confused with the Administration's welfare reform document "Working Toward Independence") as originally introduced proposed to authorize the discretionary portion of CCDF funding at the current level of \$2.1 billion annually for FY2003-FY2007. However, in the Education and Workforce full committee mark-up, an amendment offered by Representative Castle was accepted (25-21), which would have increased the authorization level to \$2.3 billion in FY2003, and such sums as may be necessary for FY2004-FY2007. It also would have increased the quality set-aside from 4% to 6%. The bill also would have amended state child care plan requirements to encourage states to improve the quality of child care available to families, and to promote school readiness by encouraging the exposure of children in care to nurturing environments and developmentally-appropriate activities. In addition, the bill would have allowed states to establish CCDBG income eligibility limits at any level (prioritized by need), eliminating current law's federal limit of 85% of state median income.

***H.R. 4090, by Representative Herger (introduced April 9, 2002; reported from Ways and Means Committee May 2, 2002).*** The Personal Responsibility, Work, and Family Promotion Act of 2002, a welfare reauthorization bill reported out of the Ways and Means Committee, included level funding for the mandatory portion of CCDF funding (\$2.7 billion) through FY2007. The bill would have increased the percentage of the TANF block grant that states may transfer to the CCDF from 30% to 50% (or from 20% to 40% if a state transfers its maximum of 10% to the Social Services Block Grant). During the mark-up, Representative Stark offered an amendment to increase mandatory funding for the CCDF by \$11.25 billion over 5 years, which did not pass. Chairman Thomas indicated plans to recommend an additional \$2 billion (above the current funding level) for the CCDF when the bill reached the House floor, however additional funding was later proposed in H.R. 4700 (see above), the reauthorization bill introduced on May 9, 2002, which "merged" many of the provisions from H.R. 4090 and H.R. 4092.

***S. 2758 Substitute Version (Passed by Senate HELP Committee September 4, 2002).*** The HELP Committee approved a substitute version of S. 2758 (the Child Care and Development Block Grant Amendments Act, also known as the Access to High Quality Child Care Act — *originally introduced by Senator Dodd on July 18, 2002, see below*). Funding authorized by the substitute mirrored that included in the original version of the bill (\$3.1 billion in discretionary funds for FY2003, and such sums as necessary for FY2004-FY2007).

However, unlike the original version of S. 2758, the substitute would have required that a state's reservation of funds for quality be increased from a minimum of 4% to a minimum of 10% only if the increase can be made without reducing the number of families receiving child care subsidies. As with the original bill, the required increase to a minimum of 10% only would have been implemented if mandatory child care funding were to exceed 115% of the FY2002 level. Likewise,

5% of all CCDF funds would have been reserved and used for improving child care reimbursement rates, but only if the mandatory child care funding level were to exceed 105% of the FY2002 level.

Like the original S. 2758, the substitute would have allowed states to use CCDBG funds to operate an at-home infant care program. The substitute also maintained the original bill's legislative language authorizing the Federal Employees Child Care Act and the Early Care and Education Act, as well as the Book Stamp Act (although the substitute would not have provided for the establishment of a special postage stamp for child literacy).

**S. 2758, by Senator Dodd (introduced July 18, 2002).** The Access to High Quality Child Care Act, S. 2758, would have amended and reauthorized the Child Care and Development Block Grant Act, adding provisions that focus on improving child care quality and data collection, and increasing overall funding. The bill also would have authorized initiatives to improve the quality of child care in federal facilities specifically, in addition to authorizing the Early Care and Education Act (originally introduced by Senator Kennedy as S. 566), which would have provided incentive grants to states for developing or enhancing systems of early child care and education. Sometimes referred to as the ACCESS Act of 2002, S. 2758 would have authorized discretionary CCDBG funding at a level of \$3.1 billion for FY2003, and such sums as necessary for FY2004-FY2007. Under this bill, not less than 4% of CCDF funds would have been reserved and used for quality activities (rising to not less than 10% if mandatory child care funding were to exceed 115% of the FY2002 level). Moreover, 5% of all CCDF funds would have been reserved and used for improving child care reimbursement rates, but only if the mandatory child care funding level were to exceed 105% of the FY2002 level. The bill would also have allowed states to use CCDBG funds to operate an at-home infant care program.

**S. 2524, by Senator Bayh (introduced May 15, 2002).** The Work and Family Act of 2002 was a welfare reauthorization bill that would have increased mandatory child care funding by \$8 billion over 5 years, according to the following increments: \$3.717 billion for FY2003, \$4.117 billion for FY2004, \$4.417 billion for FY2005, \$4.617 billion for FY2006, and \$4.717 billion for FY2007. The bill would also have increased the entitlement ceiling for the Social Services Block Grant (SSBG), starting at \$1.9 billion in FY2003, and rising to \$2.8 billion in FY2007. In addition, the bill would have maintained states' authority to transfer up to 10% of their annual TANF allotments to the SSBG.

**S. 2117, by Senator Dodd (introduced April 11, 2002).** The Access to High Quality Child Care Act (or "The 2002 ACCESS Act") aimed to bolster the child development aspect of the CCDF program with new set-asides for promoting quality and school readiness. It also would have modified aspects of TANF law to ensure child care provided with TANF funds meets the same standards as CCDF-funded care. The bill did not designate a dollar figure for the mandatory funding portion of the CCDF, and would have authorized the discretionary component of the CCDF at such sums as necessary for FY2003-FY2007. The quality set-aside, 4% under current law, would have been increased to 5%, and additional set-asides aimed at improving the quality of the child care provider workforce and increasing the rates at which providers are reimbursed would have been contingent on (or triggered by)

additional mandatory funding. Among other things, under this bill states would have had to certify that they require up to two unannounced visits a year to providers receiving CCDF funds. Research, data collection, and technical assistance would also have extended beyond that required under current law.

**S. 2070, by Senator Bingaman (introduced March 22, 2002).** The Children First Act of 2002 would have increased mandatory funding for the CCDF to \$3.967 billion in FY2003 (rising to \$5.967 billion in FY2007) and raised the CCDF set-aside for quality from 4% to 12%. In addition, under S. 2070, states would have been allowed to use Temporary Assistance for Needy Families (TANF) funds from prior years to provide child care, and TANF-funded child care would have been required to meet the same health and safety requirements and data reporting rules as those applicable to CCDF-funded child care.

**S. 2052, by Senator Rockefeller (introduced March 21, 2002).** The Personal Responsibility and Work Opportunity Reconciliation Act Amendments of 2002 would have increased the mandatory portion of the CCDF from the FY2002 level of \$2.7 billion to \$3.7 billion for each of FY2003-FY2007.

**H.R. 3625, by Representative Cardin (introduced January 24, 2002).** The Next Step in Reforming Welfare Act would have increased the mandatory portion of CCDF funding by \$11.25 billion over 5 years (FY2003-2007). Mandatory funding appropriated for FY2003 would have been \$3.967 billion. The bill would have also raised the CCDF quality set-aside from 4% to 12%.

**H.R. 3524, by Representative George Miller (introduced December 19, 2001).** The Child Development and Family Employment Act of 2002 would have amended and reauthorized the CCDBG Act. Provisions contained in the bill included (but were not limited to): increasing the authorized CCDF mandatory funding levels (\$4.217 billion in FY2003, rising to \$8.617 billion in FY2007) and discretionary funding levels (\$4 billion in FY2003, rising to \$8 billion in FY2007); increasing the set-aside for quality activities from 4% to 16%; expanding requirements with regard to pre-service training for CCDBG providers; authorizing a new program to provide funding for states to recruit and retain staff in child care; establishing a national data system to develop statistics on the supply, demand, and quality of child care; and creating a new grant program for states that increase their reimbursement rates for CCDBG child care providers.

**Comprehensive Child Care Legislation.** The largest and most comprehensive of child care bills introduced during the 107th Congress was **the Leave No Child Behind Act of 2001** (S. 940 and H.R. 1990), introduced by Senator Dodd and Representative George Miller, with the support of the Children's Defense Fund, among other children's advocacy groups. The Leave No Child Behind Act (1,168 pages) featured child care-related proposals to increase funding for the CCDBG and Head Start; to allocate 5% of total CCDBG funds in FY2003 to improve and expand infant child care; to expand the set-aside for Early Head Start; to require states to pay child care providers at least 100<sup>th</sup> percentile of the market rate for care; to create a program to improve wages and skills of child care staff; to increase the CCDBG quality set-aside from 4% to 12%; and to require all providers receiving CCDBG, or who work in programs receiving CCDBG funding to have

training in early childhood development. Readers should not confuse S. 940/H.R. 1990 with the No Child Left Behind Act of 2001 (H.R. 1), also introduced by this Congress. The No Child Left Behind Act of 2001 (H.R. 1), introduced by Representative Boehner, and signed into law (P.L. 107-110) on January 10, 2002, focused on amending the Elementary and Secondary Education Act; but also included child care-related provisions including reauthorization language for the 21<sup>st</sup> CCLC program.

Another broad-reaching bill, which aimed to foster a more unified system of early care and education was S. 2566 (Kennedy), the Early Care and Education Act. This bill would have authorized \$1 billion for FY2003 (and such sums as necessary for FY2004-FY2007) to be used to provide incentive grants to states for developing or enhancing systems of early child care and education. In addition, it would have provided bonus grants (starting in the third fiscal year) to reward states that have shown measurable progress in areas including competency of early childhood providers, retention of providers, and school readiness of children.

Following are other child care and child care-related bills that were introduced in the 107th Congress:

**Child Care Bills with Tax Provisions.** H.R. 206 (Sweeney) would have increased the DCTC. H.R. 252 (Gilman) would have established a DCAP program for federal employees. H.R. 253 (Gilman) would have amended the tax code, establishing an employer tax credit for child care expenses. S. 9 (Daschle) was a large tax bill which included proposals to increase and make refundable the DCTC, provide a minimum credit for stay-at-home parents, and create an employer-provided child care credit. S. 99 (Kohl) would have also provided a tax credit to employers who provide child care assistance for dependents of their employees. S. 384 (Snowe) would have amended the tax code to make the DCTC refundable.

**Bills Relating to Quality of Care, Curricula, and Health and Safety.** H.R. 116 (Holt) would have established a program to promote child literacy by making books available through early learning and other child care programs. H.R. 251 (Gilman) aimed to promote child care quality and safety in federal child care facilities. H.R. 367 (Nadler) proposed to promote the health and safety of children by requiring the posting of Consumer Product Safety Commission child care center safety standards in child care centers. H.R. 2034 (Roybal-Allard) would have authorized the Department of Housing and Urban Development to make grants to evaluate and reduce lead-based paint hazards at licensed child daycare facilities. S. 1000 (Reed) and H.R. 2097 (Bishop) were companion bills that would have provided incentive grants to states to improve the quality of child care through increased payment rates to providers. H.R. 2787 (Meek) would have amended the CCDBG Act, requiring states to use 5% of their CCDBG funding to increase the availability and quality of care for children with disabilities. H.R. 4164 (H. Wilson) would have increased the CCDF quality set-aside from 4% to 8%, and would have required that at least 50% of the quality set-aside funds be used to pay costs incurred by eligible child care providers to obtain accreditation. S. 2671 (Edwards) would have amended the CCDBG Act to provide for child care quality improvements for children with disabilities or other special needs.

**Bills Relating to Child Care Providers.** S. 814 (Dodd) and H.R. 1650 (George Miller) were companion bills that proposed to establish a child care provider retention and development grant program, and a child care provider scholarship program. The bill was referred to as the Focus on Committed and Underpaid Staff for Children's Sake (FOCUS) Act. Also proposing to establish a child care provider scholarship program was H.R. 1390 (DeFazio). H.R. 1743 (Blagojevich)/S. 123 (Feinstein) would have amended the Higher Education Act of 1965 to extend to Head Start teachers loan forgiveness for certain types of student loans. H.R. 4539 (H. Wilson) would have amended the Child Care and Development Block Grant (CCDBG) Act to require that states reimburse child care providers at the state's average market rate, as determined by annual market rate surveys.

**Child Care (and Pre-Kindergarten) Availability and Access Legislation.** H.R. 286 (McCarthy) would have provided for the construction and renovation of child care facilities. H.R. 555 (Morella) proposed to provide greater access to child care services for federal employees. S. 371 (Reed) would have established and expanded "child opportunity zone" family centers in public elementary schools and secondary schools. H.R. 1476 (Kind) would have established or expanded pre-kindergarten early learning programs. H.R. 3912 (Kucinich) and H.R. 1649 (Andrews) would have both provided grants to states to establish, expand, or enhance pre-kindergarten programs for children ages 3-5. The FY2002 Treasury, Postal Service and General Government Appropriations bill (H.R. 2590/ P.L. 107-67), contained provisions to maintain the federal pilot project for federal day care centers, the purpose of which is to improve the affordability of child care for lower income personnel in Executive agencies. S. 1286 (Carnahan) would have provided a permanent authorization for that federal program. S. 1217 (Dodd), the Child Care Facilities Financing Act, would have authorized \$50 million annually for FY2002-FY2006 to assist non-profits in providing financial and technical help buying, building and improving child care facilities. S. 1004 (Jeffords), the Child Care Construction and Renovation Act, would have allowed CCDBG funds to go for center construction, created a \$30 million fund for mortgage insurance for rehabilitated or new child care facilities, and would have authorized \$10 million annually in FY2002-FY2006 for technical assistance grants and grants to providers to improve and expand child care centers and homes.

**Multi-Purpose Child Care Legislation.** Companion bills H.R. 265 and S. 18 (DeLauro and Daschle) proposed to address multiple child care issues. The bills would have increased authorized funding for the CCDBG and Head Start; increased and modified the DCTC, allowing a minimum credit for stay-at-home parents and advance payment of the credit; and allowed a business credit for employer-provided child care. H.R. 1201 (Schiff) would have allowed an unspecified amount of Head Start money for reading-readiness grants within the program. The bill would have also authorized specified amounts (\$9.2 billion in FY2002 and over \$11 billion in FY2003) for Head Start, and would have increased eligibility to 150% of poverty guidelines for grantees who have attempted to serve all poverty cases. H.R. 1118 (Mink) would have established comprehensive early childhood education programs, staff development programs, and model federal government early childhood education programs.

**Hearings.** On May 16, 2002, the Senate Finance Committee held a hearing on “Issues in TANF Reauthorization: Building Stronger Families,” which included testimony from Senator Dodd on the issue of how to improve and expand the nation’s child care system, specifically addressing S. 2117, the Access to High Quality Child Care Act he cosponsored with bipartisan support.<sup>10</sup>

On April 9, 2002, the House Education and Workforce Committee held a hearing, “Working Toward Independence: The Administration’s Plan to Build upon the Successes of Welfare Reform” which featured testimony pertaining to child care funding in the context of welfare reform.

On March 19, 2002, the Senate Health, Education, Labor and Pensions Subcommittee on Children and Families and the Senate Finance Subcommittee on Social security and Family Policy held a joint hearing, “Child Care: Supporting Working Families.”<sup>11</sup>

On March 15, 2002, the Health, Education, Labor and Pensions Committee held a hearing, “Child Care: Helping Parents Work and Improving the Well-being of Children.”<sup>12</sup>

On February 27, 2002, the House Education and Workforce Committee’s Subcommittee on 21<sup>st</sup> Century Competitiveness held a hearing, “Assessing the Child Care and Development Block Grant.” Topics addressed by witnesses included the adequacy of program funding and quality.<sup>13</sup>

On February 12, 2002, the Senate Health, Education, Labor and Pensions Committee held a hearing on “Early Education: From Science to Practice.” Witnesses included academics specializing in child development (including Edward Zigler, one of Head Start’s “founders”), as well as a panel of practitioners, representing early childhood-related programs and foundations.<sup>14</sup>

On January 24, 2002 First Lady Laura Bush testified before the Senate Health, Education, Labor and Pensions Committee as the sole witness for the committee’s hearing “Early Learning: Investing In Our Children, Investing In Our Future.”

On July 31, 2001, the House Subcommittee on Education Reform held a hearing on early childhood education. Witnesses included representatives from the Head Start and early childhood academic communities, as well as recently confirmed Under Secretary Eugene Hickok from the Department of Education, and Department

---

<sup>10</sup> [<http://finance.senate.gov/sitepages/hearing051602.htm>]

<sup>11</sup> [<http://finance.senate.gov/sitepages/subhearing031902.htm>]

<sup>12</sup> [<http://labor.senate.gov/Hearings-2002/mar2002/031502wit/031502wit.htm>]

<sup>13</sup> Testimony from the hearing is available on the Education and Workforce Committee’s website: [<http://edworkforce.house.gov/hearings/107th/21st/childcare22702/wl22702.htm>].

<sup>14</sup> Testimony from the hearing is available on the HELP Committee’s website: [<http://labor.senate.gov/Hearings-2002/feb2002/021202awit/021202awit.htm>].

of Health and Human Services Assistant Secretary for Children and Families Wade Horn.

On March 27, 2001, the Senate Health, Education, Labor and Pensions (HELP) Committee held a hearing on international early education and child care to examine how the United States compares.

**White House Summit on Early Childhood.** On July 26, 2001 First Lady Laura Bush, HHS Secretary Tommy Thompson, and U.S. Secretary of Education Rod Paige co-hosted a two-day White House Summit on Early Childhood Cognitive Development. The summit featured research and recommendations from early childhood learning specialists and was described by Secretary Paige as the first step in a long-range and widespread effort to promote research-based cognitive development activities for preschool-age children. During the summit, Secretary Paige announced plans to create a new federal task force of senior education and health and human services department officials. This group will be charged with the task of putting research and recommendations presented during the summit to work in government programs for children.

**Administration's Early Childhood Initiative.** On April 2, 2002, the President announced the Administration's **Good Start, Grow Smart** early childhood initiative, which builds on themes developed at the First Lady's Summit on Early Childhood Cognitive Development held in July 2001.<sup>15</sup> The initiative proposed to develop a new accountability system for the Head Start program, through which standards of learning in early literacy, language, and numeracy would be assessed. It also called for a national training program for Head Start teachers. Furthermore, the initiative proposed that states develop criteria for the delivery of quality early childhood programs outside the boundaries of the Head Start program. The additional federal funding proposed as part of the initiative totals \$45 million to establish a research collaborative between the National Institute of Child Health and Human Development and the Department of Education to identify effective pre-reading and language curricula and teaching strategies.

---

<sup>15</sup> [<http://www.whitehouse.gov/infocus/earlychildhood/toc.html>]